

Message Text

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TO AMEMBASSY JIDDA PRIORITY

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AMEMBASSY KUWAIT

C O N F I D E N T I A L LONDON 04199

E.O. 11652: GDS

TAGS: EINV, SA, UK

SUBJECT: FISHER CONTROLS - PARTICIPATION IN SAUDI
PETROCHEMICAL COMPLEX

1. J. E. YATES (UK CIT) AREA DIRECTOR FISHER CONTROLS INC., MARSHALLTOWN, IOWA (WHOLLY OWNED SUBSIDIARY OF MONSANTO CHEMICALS INC., ST. LOUIS, MO.) PLANNING TRAVEL RIYADH IN NEAR FUTURE ACCOMPANYING AMCITS W. J. BESTMANN AND WOLFARTH. BESTMANN AND WOLFARTH ARE, RESPECTIVELY, VICE PRESIDENT INTERNATIONAL FISHER CONTROLS AND HEAD OF LEGAL TAXATION DEPT. OF MONSANTO.

2. TRAVEL IS TO NEGOTIATE PRIME VENDOR AGREEMENT IN CONNECTION WITH \$10 BILLION GAS GATHERING/PETROCHEMICAL PLANTS COMPLEX BETWEEN SAG-ARAMCO AND FLUOR. YATES STATES THAT FISHER CONTROLS HAS STATEMENT OF INTENT FROM ARAMCO HOUSTON VIA FLUOR HOUSTON FOR FIRST TWO SECTIONS (WORTH \$26.8 MILLION) OF TOTAL CONTROL VALVE AND ELECTRONIC REQUIREMENTS OF \$70 MILLION - ALMOST 100 PERCENT OF WHICH WOULD COME DIRECTLY FROM U.S.

3. ALTHOUGH MONSANTO IS ON ARAB BOYCOTT LIST, COMPANY HAS BEEN NEGOTIATING ESTABLISHMENT OF SUBSIDIARY COMPANY IN KUWAIT IN ORDER HANDLE MIDEAST BUSINESS NEGOTIATIONS CONDUCTED WITH ASSISTANCE OF FUAD ABU ZAYADH WHO
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YATES CLAIMS IS LAWYER IN KUWAIT FOR MOST MAJOR OIL COM-

PANIES, PLUS BECHTEL, MITSUBISHI, ETC. FISHER CONTROLS, ALTHOUGH NOT ON BOYCOTT LIST, HAS BEEN ON INVESTIGATION LIST FOR TWO AND ONE-HALF YEARS.

4. YATES, BESTMANN AND WOLFARTH DESIRE TO VISIT SAUDI ARABIA IN ORDER TO INVESTIGATE AT FIRST HAND WITH VIEW TO SELECTING PRIME VENDOR TO HANDLE SAUDI CONTRACT. CHOICE APPEARS TO BE BETWEEN (A) FUAD ALTOBAISHI, (B) KHALID IBN SAUD. ALTOBAISHI IS PRESENTLY FISHER CONTROLS' AGENT IN SAUDI ARABIA; KHALID IBN SAUD HAS BEEN RECOMMENDED TO FISHER BY ATTORNEY ABU ZAYADH IN KUWAIT. WE UNDERSTAND KHALID IBN SAUD IS VICE PRESIDENT OF ARAMCO. HOWEVER, ALTHOUGH BOTH ARAMCO AND FLUOR HAVE ALREADY SIGNED CONTRACT WITH ALTOBAISHI AS PRIME VENDOR, FISHER CONTROLS ARE CONCERNED THAT ALTOBAISHI "LACKS THE CLOUT" WITH SAG WHICH MAY BE NECESSARY FOR FISHER TO SECURE CONTRACT GIVEN THEIR SOMEWHAT TENUOUS STANDING VIS-A-VIS ARAB BOYCOTT LIST.

5. AMEMBASSY JIDDA REQUESTED:

A) SEND ANY INFORMATION YOU CAN ON ALTOBAISHI. UNDERSTAND HE LONG TIME AGENT OF MIDDLE EAST OIL SUPPLIES LTD. OF BEIRUT.

B) COMMENT, IF APPROPRIATE, ON LIKELIHOOD THAT AMCITS BESTMANN AND WOLFARTH WILL HAVE TROUBLE IN OBTAINING SAG EXIT VISAS. FYI BESTMANN AND WOLFARTH WILL BE TRAVELING AS EMPLOYEES OF UK SUBSIDIARY FISHER PROCESS EQUIPMENT LTD., OF WHICH MR. YATES IS MANAGING DIRECTOR. MEN DESIRE TRAVEL ASAP AND FEAR THAT TOO MUCH FURTHER DELAY MAY COST COMPANY ORDER AT EXPENSE OF FRENCH. UNDERSTAND THAT THERE ARE NO RPT NO OTHER U.S. COMPANIES BIDDING ON THIS PORTION OF DEAL.

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